

## **REPRESENTATIVE SAMPLES OF GENERAL AVIATION AIRPORT HANGER GROUND LEASE RATES AND FUEL FLOWAGE FEES IN MONTANA**

### **Fuel Flowage Fees:**

A fuel flowage fee is a tax assessed on the user, which is paid at the pump. Fuel flowage fee revenues are sent to the airport governing body, usually the board or authority and are then put into airport coffers for airport improvements or other expenses. The fuel flowage fee is actually an airport user fee and is the commonly accepted and fair way to raise airport revenues without placing the entire burden on local airport tenants since revenue is provided by transient aircraft using the airport. The typical fuel flowage fee for small Montana airports is 5¢/gal. Many times, an airport will place a greater fuel flowage fee on jet fuel since this will shift even more of the cost burden to the more expensive, fuel consuming transient aircraft which place more wear and tear on the airport.

### **Hangar Ground Lease Rates:**

Hangar ground lease rates are the lease rates that an airport charges for the ground on which private or commercial hangars are built. Since many airports around the state have very few tenants, they have no set rate and will convene the airport board to determine one when an offer to build something on airport property is made. Some airports will have a different rate for commercial versus private hangar space rates since most commercial operators use apron space in the conduct of their daily commercial operations. Some airports will lease apron space to commercial operators for a smaller fee than the hangar ground lease rate. Many airports around the state do not charge anything for the hangar lease rates as a way of promoting aviation on the airport, in these cases, usually a \$1.00/yr lease is drawn up. Airports vary widely around the state in their hangar ground lease rates and sometimes have many different stipulations associated with them, as an example, an airport might have rules about how long lease rates are, how often the price may be raised and how often an option to renew will be available. A 20 year hangar ground lease with an option to renew is usually the most common type of hangar ground lease and is often the type required by lending institutions. The ideal hangar ground lease rate is one that generates the needed revenue for the airport but does not create such a cost burden that users will not build hangars.

### **Other Notes:**

Fuel flowage fees and hangar ground lease rates are generally higher at large commercial service, certificated airports. The differences in rates and charges between big commercial airports and small general aviation airports is because large airports provide many more airport services than small airports, such as; 24 hour security, a 24 hour terminal, instrument landing systems, expansive lighting and crash fire rescue services. Even though large airports can receive funding through avenues not usually available to small general aviation airports, much of the operating revenue needed by large airports is still highly dependent on airport user fees.

It should also be mentioned that the benefits created through tax revenue generated by an airport help not only the airport, but also the surrounding communities. This is because counties and cities receive considerable tax benefits from an airport through taxes on hangars and based aircraft.

#### **Rates and Charges for Various General Aviation Montana Airports**

<b>Airport</b>	<b>Fuel Flow Fee</b>	<b>Hanger Ground Lease cost per year</b>	<b>Other Fees or Notes</b>
Big Sandy	None	\$10.00/yr/per lot (Lots vary in size, but are generally 100' x 50')	
Big Timber	None	\$5/ft <sup>2</sup>	
Boulder	None	None	
Canyon Ferry	None	\$0.10 ft <sup>2</sup>	
Chester	None	3¢ sq/ft	
Chinook	None	\$12.00/mo T-hangar	
Choteau	None	None set	
Circle	None	None set (T-hangars are \$35.00/month)	
Colstrip	None	\$25.00 annually	
Cut Bank	None	Bare ground - 2¢/ft <sup>2</sup> Land with building - 10¢/ft <sup>2</sup> Airport Authority owned buildings - \$1.00/ft (T-hangers are \$130.00/yr)	(Fuel flowage fee was 5¢/gal)
Deer Lodge	None	\$150.00/yr for anything	A/P is creating new policy at this time
Dillon	5¢/gal	ground lease = 3¢/ft <sup>2</sup>	
Ekalaka	None	\$300.00 per year	

Ennis	None	Hangar: \$200/mo rental \$.04 ft <sup>2</sup> lease,\$20/night	
Eureka	None	\$.025 per sq. ft. per year	
Hamilton	3¢/gal	7¢/ft <sup>2</sup> (\$1500 up front fee)	
Havre	*	7¢/ft <sup>2</sup>	
Hogeland	None	None set	
Fairfield	None	20¢/sq. ft.	
Forsyth	None	\$30.00/month for any hangar	
Fort Benton	*	120/year, 65/month	
Fort Peck	5¢/gal		
Gardiner	5¢/gal	10¢/ft <sup>2</sup>	
Glasgow	5¢/gal	3¢/ft <sup>2</sup>	\$25/night single, \$50/night multi
Glendive	None	5¢/ft <sup>2</sup> general, 10¢/ft <sup>2</sup> commercial	
Kalispell City	None	\$0.16 ft <sup>2</sup>	Commercial fee: \$150/mo Tie down fee: \$20/mo
Kalispel	6¢/gal	19¢/ft <sup>2</sup>	
Laurel	5¢/gal	14¢/ft <sup>2</sup> general, 10¢/ft <sup>2</sup> commercial	general spaces larger than commercial
Lewistown	3¢/gal	6.5¢ & 7½¢ ft <sup>2</sup> depending on location	
Libby	5¢/gal	2.5¢/ft <sup>2</sup>	A/P is creating new policy at this time

Livingston	5¢/gal	*	
Malta	10¢/gal	10¢ sq/ft hangers- 2¢ for commercial sq/ft²	
Miles City	5¢/gal	None set	
Opheim	None	\$35/mo, \$250/year	
Plains	None	8¢ft²/year	
Plentywood	5¢/gal	Hangar: \$15/night Lot Lease: \$0.065 ft² for private \$0.080 ft² for commercial	
Polson	5¢/gal	10¢/ft²	
Red Lodge	None	5¢/ft²	
Ronan	2.5¢/gal	12.5¢/ft²	Courtesy car available Sign out in pilot lounge
St. Ignatius	50¢/gal	12.5¢/ft² per year	
Scobey	None	\$1.00/yr for any hangar or space to build \$125/mo for T hangers	
Shelby	None	None set (private hangar rental is \$50.00/yr)	
Sidney	4¢/gal	4¢/ft², 12¢ commercial ground sq/ft.	100LL 6¢/gal , Jet A is 7¢/gal fuel flowage
Stevensville	6¢/gal	6¢/ft² \$150.00 > \$175.00/Month \$175.00 & up Condo hangers	Tie Down (day/month) Single: \$3.00/15.00 Multi: \$5.00/25.00
Thompson Falls	None	\$218/yr, 20 yr. lease	
Three Forks	3¢/gal	3¢/ft²	

Townsend	5¢/gal	10¢/ft <sup>2</sup>	
Turner	None	None Set	
Wisdom	5¢/gal	*	
Wolf Point	None	\$2.50/lineal frontage ft	Hangar: \$60/night

(\* Information Unavailable)

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